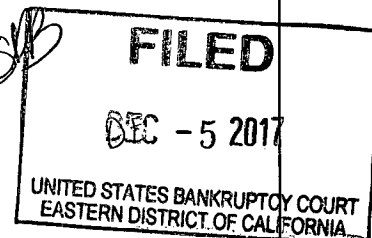


UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA



In re:) Case No. 17-23817-B-13
RAFAEL A. REYES and VILLA REYES,)
Debtor(s).)

SUPPLEMENTAL MEMORANDUM AND ORDER
SANCTIONING ATTORNEY LESLIE RICHARDS

INTRODUCTION

Attorney Leslie Richards (SBN 94672), former counsel for debtors Rafael A. Reyes and Villa Reyes in the above-captioned chapter 7 case, was sanctioned earlier this year in another bankruptcy case she filed in the Eastern District of California. Ms. Richards was ordered to not file any new bankruptcy case or proceeding in the Eastern District of California Bankruptcy Court after April 15, 2017, without first completing four hours of California State Bar approved participatory continuing legal education in ethics and certifying completion of that continuing legal education obligation with the clerk of the court. Ms. Richards did neither. And yet, between June and September of 2017 Ms. Richards filed three bankruptcy cases and one adversary proceeding in the Eastern District of California Bankruptcy Court.

Ms. Richards' conduct was discovered during proceedings in the above-captioned chapter 7 case, which is one of the cases that Ms. Richards filed in violation of the earlier sanctions order. Discovery of Ms. Richards' conduct prompted the court to

1 issue an order on September 12, 2017, directing Ms. Richards to
2 show cause why she should not be further sanctioned for violating
3 the earlier sanction order. It is the September 12, 2017, order
4 to show cause that is now before the court.

5 A hearing on the court's order to show cause was held on
6 October 17, 2017. Ms. Richards appeared in person and on behalf
7 of herself. There were no other appearances noted on the record.

8 This memorandum and order supplements the court's oral
9 findings of fact and conclusions of law placed on the record in
10 open court pursuant to Federal Rule of Civil Procedure 52(a)
11 applicable by Federal Rules of Bankruptcy Procedure 7052 and
12 9014. If these written findings of fact and conclusions of law
13 conflict with the court's oral findings of fact and conclusions
14 of law, these written findings and conclusions control.

15
16 **BACKGROUND**

17 Although entered in the above-captioned chapter 7 case, the
18 present order to show cause is based on a memorandum and order
19 entered in In re Dynowski, No. 15-28574 (Bankr. E.D. Cal. 2015),
20 in which Ms. Richards was also counsel of record for the debtor.
21 The memorandum was filed on February 28, 2017. Id., dkt. 115.
22 The related order on the memorandum was filed on March 1, 2017.
23 Id., dkt. 114. The memorandum is appended to this order as Appx.
24 1. The related order is appended to this order as Appx. 2.
25 Unless otherwise referred to individually, the memorandum and the
26 order will be referred to collectively as the "Dynowski

1 Decision."¹

2 The Dynowski Decision is the second time Ms. Richards was
3 sanctioned by a bankruptcy judge of this court. Ms. Richards was
4 initially sanctioned \$1,000.00 in the Dynowski case for conduct
5 described in an August 11, 2016, memorandum filed in that case.
6 See Dynowski, No. 15-28574, dchts. 96, 97.

7 After a hearing held in the Dynowski case on October 31,
8 2016, id., dkt. 112, the court issued the Dynowski Decision in
9 which Ms. Richards was sanctioned for abusive, bad faith, and
10 willful misconduct generally described as filing bankruptcy cases
11 to acquire the automatic stay with no intent to prosecute those
12 bankruptcy cases and more particularly described as follows:

13 [A] remarkably consistent pattern of abuse - failing to
14 file fee disclosures, failing to file required
15 documents, and failing to attend meetings of creditors.
16 The court concludes from the record in the case now
17 before it, as well as these prior cases, that Ms.
18 Richards is aiding debtors in an abuse of the
19 bankruptcy process that is calculated to hinder, delay,
20 and defraud lenders in their efforts to foreclose
21 and/or repossess their real property collateral.

22 Dynowski, No. 15-28574, dkt. 115 at 3:18-25 & 16:21-27.

23 For that conduct, Ms. Richards was sanctioned as follows:

24 Attorney Leslie Richards, effective from April 15,
25 2017, shall not file new bankruptcy cases or
26 proceedings in the Eastern District of California until
27 she has completed at least four hours of continuing
28 legal education in legal ethics that the State Bar of
California approves as meeting standards for Minimum
Continuing Legal Education, that is taught by a
provider approved by the State Bar, and that is not
self-study but a participatory activity for which the
provider verifies attendance. Proof of attendance
shall be provided to the clerk of this court when the
four hours of education has been completed.

29 ¹The Dynowski case and the two Tyler cases below were re-
30 assigned to the undersigned Judge by an October 5, 2017, order.
A copy of that order is appended to this order as Appx. 3.

1 Id., dkt. 114 at 1:18-27.²

2 On March 3, 2017, the court, through the Bankruptcy Noticing
3 Center, mailed the Dynowski Decision to Ms. Richards by first
4 class mail addressed to the address that Ms. Richards provided in
5 the petition she filed at the inception of the Dynowski case.

6 Id., dkt. 1, 114, 115, 116, and 117. The court, through the
7 Bankruptcy Noticing Center, also sent its September 12, 2017,
8 order to show cause by first class mail to Ms. Richards at the
9 same address. Compare Reyes, No. 17-23817, dkt. 45 & 49, with
10 Dynowski, No. 15-28575, dkt. 114, 115, 116, and 117. Ms.
11 Richards received the September 12, 2017, order to show cause.
12 See Reyes, 17-23817, dkt. 60 at 2:17-18 ("[I] received the OSC on
13 Rafael Reyes and Villa Reyes[.]"); see also Id., dkt. 51 & 52 at
14 ¶ 2.

15 Without any regard to the sanction and restriction that the
16 Dynowski Decision imposed on her, between June and September of
17 2017 Ms. Richards resumed filing bankruptcy cases and proceedings
18 in the Eastern District of California Bankruptcy Court. During
19

20 ²The memorandum similarly states as follows:

21 Rather than assess further monetary sanctions, the
22 court will bar Ms. Richards, effective from April 15,
23 2017, filing new bankruptcy cases or proceedings in the
24 Eastern District of California until she has completed
25 at least four hours of continuing legal education in
26 legal ethics that the State Bar of California approves
27 as meeting standards for Minimum Continuing Legal
28 Education, that is taught by a provider approved by the
State Bar, and that is not self-study but a
participatory activity for which the provider verifies
attendance. Proof of attendance shall be provided to
the clerk of this court when the four hours of
education has been completed.

Id., dkt. 115 at 17:11-21.

1 that three-month period, Ms. Richards filed three bankruptcy
2 cases and one adversary proceeding identified as follows:

- 3 (1) In re Reyes, No. 17-23817, filed June 6, 2017, and
4 dismissed July 26, 2017, for failure to timely
5 file documents.
6 (2) Reyes v. Duke Partners II, LLC, Adv. No. 17-02127,
7 removed from state court July 17, 2017, and
8 remanded September 6, 2017.
9 (3) In re Tyler, No. 17-11558, filed April 23, 2017,
10 assigned to Judge Clement, and dismissed May 12,
11 2017, for failure to timely file documents.
12 (4) In re Tyler, No. 17-13464, filed September 10,
13 2017, assigned to Judge Lastreto, and dismissed
14 September 29, 2017, for failure to timely file
15 documents.

16 As of September 12, 2017, when the order to show cause
17 before the court was issued, the clerk of the court had no record
18 of any certification by Ms. Richards that she completed four
19 hours of California State Bar approved participatory continuing
20 legal education in ethics.

21 Ms. Richards filed three responses to the court's September
22 12, 2017, order to show cause. The first response is a
23 declaration dated September 26, 2017, filed on September 28,
24 2017. See Reyes, No. 17-23817, dkt. 51. The second response is
25 a declaration dated October 2, 2017, filed on October 3, 2017.
26 See Id., dkt. 52. And the third response was filed on October 5,
27 2017. See Id., dkt. 60. The first two declarations are nearly
28 identical. The third response includes the September 26, 2017,
declaration.

Ms. Richards does not dispute that between June and
September of 2017, and thus after April 15, 2017, she filed the
Reyes bankruptcy case, the Reyes adversary proceeding, and the

1 two Tyler bankruptcy cases identified above. She also does not
2 dispute that she filed those three bankruptcy cases and the one
3 adversary proceeding without (i) taking four hours of state bar
4 approved participatory continuing legal education in ethics and
5 (ii) without certifying compliance with that continuing legal
6 education obligation with the clerk of court. Thus, Ms. Richards
7 does not dispute that she filed three bankruptcy cases and one
8 adversary proceeding in violation of the Dynowski Decision.

9 Ms. Richards states in her declarations that she was unaware
10 of the Dynowski Decision when she filed the Reyes bankruptcy
11 case, the Reyes adversary proceeding, and the two Tyler
12 bankruptcy cases. See Dynowski, No. 15-28574, dkt. 51 at ¶¶ 2,
13 5, & 9; dkt. 52 at ¶¶ 2, 5 & 10. However, Ms. Richards provides
14 conflicting and inconsistent dates as to when she purportedly
15 became aware of the Dynowski Decision. She first states that
16 date was September 12, 2017. See Reyes, No. 17-23817, dkts. 51 &
17 52, ¶ 2. She then states that date was "the other day" as
18 measured from either September 26, 2017, id., dkt. 51 at ¶ 5, or
19 October 2, 2017. Id., dkt. 52 at ¶ 5.

20 Ms. Richards' declarations also suggest - but do not
21 expressly state - that she was unaware of the Dynowski Decision
22 because she did not receive it.³ Ms. Richards offers several
23 explanations for the purported non-receipt of the Dynowski
24 Decision: She was out of the office for a period of time because
25 of surgery and physical therapy and her computer system (backup
26

27 ³Ms. Richards did state on the record during the October 17,
28 2017, order to show cause hearing that she did not receive the
Dynowski Decision. However, she offered nothing more to support
that statement.

1 included) were rendered inoperable by a virus. See Reyes, No.
2 17-23817, dkts. 51, 52 at ¶¶ 3-4. She repeated these reasons on
3 the record during the order to show cause hearing.

4 5 DISCUSSION

6 I. Legal Standard

7 A bankruptcy court has the power to sanction an attorney
8 pursuant to its inherent authority. Price v. Lehtinen (In re
9 Lehtinen), 564 F.3d 1052, 1058 (9th Cir. 2009), abrogated on
10 other grounds, Gugliuzza v. FTC (In re Gugliuzza), 852 F.3d 884,
11 898 (9th Cir. 2017). The court's inherent authority to sanction
12 is recognized in § 105(a). See 11 U.S.C. § 105(a); Chambers v.
13 NASCO, Inc., 501 U.S. 32, 42-47 (1991); Caldwell v. Unified
14 Capital Corp. (In re Rainbow Magazine, Inc.), 77 F.3d 278, 284
15 (9th Cir. 1996); Knupfer v. Lindblade (In re Dyer), 322 F.3d
16 1178, 1196-97 (9th Cir. 2003). Inherent authority sanctions are
17 appropriate when an attorney engages in bad faith or willful
18 misconduct. Lehtinen, 564 F.3d at 1058. Reckless conduct
19 coupled with an improper purpose will also suffice. B.K.B. v.
20 Maui Police Dept., 276 F.3d 1091, 1108 (9th Cir. 2002); Fink v.
21 Gomez, 239 F.3d 989, 993 (9th Cir. 2001).

22 23 II. Ms. Richards' Conduct Was Willful and Tantamount to Bad 24 Faith.

25 Ms. Richards violated the Dynowski Decision. That much is
26 undisputed. She filed three bankruptcy cases and one adversary
27 proceeding in the Eastern District of California Bankruptcy Court
28 after April 15, 2017, without first taking four hours of

1 California State Bar approved participatory continuing legal
2 education in ethics and without certifying her compliance with
3 that continuing legal obligation with the clerk of court. As
4 discussed below, there is also clear and convincing evidence that
5 Ms. Richards' violation of the Dynowski decision was willful.

6 On March 3, 2017, the court, through the Bankruptcy Noticing
7 Center, sent the Dynowski Decision to Ms. Richards by first class
8 mail addressed to her business address. That creates a
9 presumption, albeit a rebuttable one, that Ms. Richards received
10 the Dynowski Decision three days later. Dandino, Inc. v. U.S.
11 Dept. of Trans., 729 F.3d 917, 921-22 (9th Cir. 2013); Payan v.
12 Aramark Mgmt. Servs. Ltd. P'ship, 495 F.3d 1119, 1124 (9th Cir.
13 2007). Ms. Richards' has not rebutted that presumption.

14 Ms. Richards' declarations do not expressly state that she
15 did not receive the Dynowski Decision. However, construing those
16 declarations in a light favorable to Ms. Richards, the court can
17 infer from Ms. Richards' statements in her declarations that she
18 was unaware of the Dynowski Decision, as buttressed by her
19 statement in open court, that it is her position that she did not
20 receive the Dynowski Decision. But even so, because the Dynowski
21 Decision was mailed by the court through the Bankruptcy Noticing
22 Center, Ms. Richards' declarations (construed as declarations of
23 non-receipt) and her statement to that effect in open court do
24 not rebut the presumption that she received the Dynowski Decision
25 sometime on or shortly after March 6, 2017. Moody v. Bucknum (In
26 re Bucknum), 951 F.2d 204, 206-07 (9th Cir. 1991); see also
27 Seminiano v. Xyris Enterprise, Inc., 512 Fed. Appx. 735, 2013 WL
28 1150781, *2 (9th Cir. 2013) (noting distinction between documents

1 served by adverse party where a declaration of non-receipt may
2 rebut presumption and a mailing by the court where declaration of
3 non-receipt does not).

4 Even in those instances when a declaration or statement of
5 non-receipt may be sufficient to rebut the presumption of
6 receipt, the declaration or statement must still be credible.

7 See Seminiano, 2013 WL 1150781, *2. Ms. Richards' declarations
8 and her in-court statement are not credible.⁴ Ms. Richards
9 declarations are not credible because they contain contradictory
10 statements as to when she supposedly first became aware of the
11 Dynowski Decision: Was it September 12, 2017, or was it "the
12 other day" measured from September 26, 2017, or October 2, 2017?
13 More to the point, the court does not believe that Ms. Richards'
14 never received the Dynowski Decision and only became aware of it
15 some six months after it was filed because the court's September
16 12, 2017, order to show cause was mailed to Ms. Richards in the
17 same manner and to the same address as the Dynowski Decision and,
18 as noted above, Ms. Richards admits that she received the
19 September 12, 2017, order to show cause.

20 But even assuming the court found Ms. Richards' testimony
21 and statements credible, her declarations would still be
22 insufficient to rebut the presumption that she received the
23 Dynowski Decision through the mail. The Ninth Circuit has held
24 that a denial of receipt must be specific and factual. Nunley v.
25 City of Los Angeles, 52 F.3d 792, 796 (9th Cir. 1995). Ms.
26 Richards' declarations are neither. Ms. Richard's declarations
27

28 ⁴Ms. Richards' credibility was previously called into
question. Dynowski, Case No. 15-28574, dkt. 115 at 16:24-26.

1 do not state categorically that she did not receive the Dynowski
2 Decision; rather, as noted above, the court has to infer that and
3 draw that conclusion from the different dates that Ms. Richards
4 states she first became aware of the memorandum and order. There
5 are also no facts in Ms. Richards' declarations about any
6 circumstances that would support or explain the purported non-
7 receipt.⁵

8 In sum, the court is clearly convinced that Ms. Richards
9 willfully violated the Dynowski Decision because Ms. Richards
10 knew of the Dynowski Decision, and the sanctions and restrictions
11 imposed upon her, when she filed the Reyes bankruptcy case, the
12 Reyes adversary proceeding, and the two Tyler bankruptcy cases.
13 Further sanctions are therefore warranted.

14
15 II. Alternatively, Ms. Richards' conduct was reckless and
16 conduct in which she engaged with and for an improper
purpose.

17 At a minimum, Ms. Richards' conduct in filing the Reyes
18 bankruptcy case and the two Tyler bankruptcy cases was reckless.
19 The court advised Ms. Richards at the conclusion of the Dynowski
20 sanctions hearing held on October 31, 2016, that it would issue a
21 written decision. That means if Ms. Richards did not know of the
22 Dynowski Decision until sometime in or after September 2017, then
23 she did nothing to ascertain her status and determine if she had
24 been sanctioned for nearly a year. As a member of the state bar
25

26 ⁵Ms. Richards does state that she was out of the office for
27 a short period of time and her computer system was rendered
28 inoperable by a virus. However, the former occurred well before
the Dynowski Decision was filed and the latter has no bearing on
receipt of the Dynowski Decision through the mail.

1 and an officer of the court, Ms. Richards had an affirmative
2 obligation to ascertain the extent to which she may have been
3 (and in fact was) sanctioned so that she could timely comply with
4 any sanction imposed. In other words, Ms. Richards should have
5 regularly checked the court's docket or PACER for the court's
6 decision following the sanctions hearing held in the Dynowski
7 case. Had she done that she would have found the Dynowski
8 Decision at least three months before she first violated it, even
9 assuming she never received it by mail.

10 The Reyes bankruptcy case and the two Tyler bankruptcy cases
11 were also filed for an improper purpose. Ms. Richards' conduct
12 in those three bankruptcy cases mirrored the conduct that the
13 court found abusive (and for which Ms. Richards was sanctioned)
14 in the Dynowski Decision. Ms. Richard's conduct in the Reyes and
15 Tyler bankruptcy cases is explained in detail in the memorandum
16 and order filed on September 12, 2017, denying Ms. Richards'
17 motion to vacate the order dismissing this case. See Reyes, 17-
18 23817, dkt. 43.

19
20 **CONCLUSION**

21 For all the foregoing reasons;

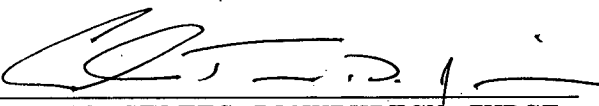
22 IT IS ORDERED that the order to show cause filed in this
23 (Reyes) case on September 12, 2017, at dkt. 45, is SUSTAINED.

24 IT IS FURTHER ORDERED that Ms. Richards is sanctioned Two-
25 Thousand Five Hundred and 00/100 dollars (\$2,500.00), which shall
26 be paid to the Clerk of the Bankruptcy Court for the Eastern
27 District of California within ninety (90) days of the date on
28 which this memorandum and order is entered. Ms. Richards shall

1 also file a certification of payment within three (3) days after
2 payment is made.

3 IT IS FURTHER ORDERED that Ms. Richards is barred from
4 filing any bankruptcy case or adversary proceeding in the United
5 States Bankruptcy Court for the Eastern District of California
6 for a period of one (1) year from the entry of this memorandum
7 and order.

8 Dated: December 5, 2017.

9
10 
11 UNITED STATES BANKRUPTCY JUDGE
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

INSTRUCTIONS TO CLERK OF COURT
SERVICE LIST

The Clerk of Court is instructed to send the attached document, via the BNC, to the following parties:

Leslie Richards
17337 Ventura Blvd Suite 211
Encino CA 91316

Antonia Darling
Office of the U.S. Trustee
Robert T Matsui United States Courthouse
501 I Street, Room 7-500
Sacramento CA 95814

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
SACRAMENTO DIVISION

In re)
JOHN DYNOWSKI,) Case No. 15-28574-A-13J
Debtor.) Date: October 31, 2016
Time: 1:30 p.m.

MEMORANDUM

Leslie Richards, the debtor's attorney, filed this case without being a member of the bar of the District Court of the Eastern District of California, and then failed to appear in its proper prosecution. Sanctions are warranted.

I

This matter originally came before the court as a motion by the chapter 13 trustee (Docket Control No. JPJ-1) seeking to compel attorney Leslie Richards to appear at the meeting of creditors. This request was made because Ms. Richards failed to appear on December 22, 2015 at the initial meeting. Although the debtor, John Dynowski, appeared at that meeting, Ms. Richards' absence required the trustee to continue the meeting to January 21, 2016.

In connection with the January 4 hearing on the trustee's motion, the court noted two additional problems: Ms. Richards filed this case even though she was not admitted to the bar of the Eastern District of California, and she had not filed the fee

1 disclosure required by Fed. R. Bankr. P. 2016 and 11 U.S.C. §
2 329.

3 Despite continuing the hearing on the trustee's motion to
4 January 19 to give Ms. Richards an opportunity to address these
5 issues, Ms. Richards failed to appear.

6 While the court dismissed this bankruptcy case on January 19
7 at the request of the debtor, it reserved jurisdiction over the
8 issues of Ms. Richards' compensation and the appropriateness of
9 sanctions for her failure to represent her client and appear in
10 the proper prosecution of this case. See Docket 30.

11 To that end, the court issued an Order to Show Cause on
12 January 28, 2016 (see Docket 34) directing Ms. Richards to appear
13 in person at a hearing on February 29 to determine whether she
14 should be sanctioned for:

15 a. Failing to appear at the meeting of creditors on
16 December 22, 2015;

17 b. Filing this case even though she was not admitted
18 to the bar of the Eastern District of California; and

19 c. Failing to file the fee disclosure required by
20 Fed. R. Bankr. P. 2016 and 11 U.S.C. § 329(a).

21
22 II

23 Ms. Richards responded to the Order to Show Cause by
24 admitting she was not a member of the bar of the Eastern District
25 of California when this case was filed. Her excuse is that she
26 "did not realize [she] had to be admitted to the Eastern District
27 nor was the issue previously brought up. . . ."

28 Ms. Richards also maintained she was unable to appear at the

1 meeting of creditors because of recent knee surgery.

2 Acknowledging she nonetheless had an obligation to represent the
3 debtor at the meeting, Ms. Richards states that she failed to
4 arrange for substitute counsel because her law clerk neglected to
5 calendar the meeting.

6 Finally, Ms. Richards admitted that she did not file a fee
7 disclosure in this case. However, she believes no disclosure was
8 required because she charged no fee for Mr. Dynowski's
9 representation.

10
11 III

12 In the course of considering Ms. Richards' response to the
13 August 11 Order to Show Cause, the court determined from a search
14 of its electronic case files that Ms. Richards was the attorney
15 of record for debtors in fourteen cases in this district
16 commenced over a 5-year period, from January 18, 2011 through
17 January 21, 2016.

18 These cases show a remarkably consistent pattern of abuse -
19 failing to file fee disclosures, failing to file required
20 documents, and failing to attend meetings of creditors. The
21 court concludes from the record in the case now before it, as
22 well as these prior cases, that Ms. Richards is aiding debtors in
23 an abuse of the bankruptcy process that is calculated to hinder,
24 delay, and defraud lenders in their efforts to foreclose and/or
25 repossess their real property collateral.

26 This table summarizes the cases filed by Ms. Richards.
27
28

Case No./ Debtor	Chap.	2016(b) filed/ amount paid	Disposition	Foreclosure/ Eviction?	First meeting attended?
16-10139 Hyatt	13	yes - \$2500	filed 1/21/16 dismissed 2/19/16 before meeting	Dkt. #41. Case filed 1 day before answer due in unlawful detainer	NA
15-14857 Starr	13	yes - \$750	filed 12/20/15 dismissed 4/8/16	Dkt #52. Home in foreclosure	Counsel and debtor failed to appear
16-10088 Starr	7	no	filed 11/19/15 dismissed 3/3/16 before meeting	Dkt #40. Debtor asks for dismissal because he has "discovered a mortgage modification program"	NA
16-20084 Tracy	7	no	filed 11/18/15 dismissed 2/23/16	Dkt #17. Home in foreclosure	Counsel and debtor failed to appear
15-28574 Dynowski	13	no	filed 11/3/15 voluntarily dismissed 6/20/16	Dkt #47. Case filed 1 day before hearing on summary judgment motion in unlawful detainer	Debtor appeared but counsel did not
15-22785 Tracy	7	no	filed 4/6/15 dismissed 4/24/15 before meeting	See Case No 16-20084	NA
15-21755 ¹ Dynowski	7	yes - \$1000	filed 3/5/15 discharge 7/20/15	See Case Nos. 15-28574 & 14-31822	Counsel and debtor appeared

¹ A comparison of the three petitions filed by Debtor Dynowski shows his signature on two petitions, Case Nos. 14-31822 and 15-28574, is a "wet ink" signature, but the petition in Case No. 15-21755 is signed "/s/ John A Dynowski". This court's local rules permit either form of signature. See Local Bankruptcy Rule 9004-1(c)(1)(B). However, when the latter form is used, Local Bankruptcy Rule 9004-1(c)(1)(D), provides:

"When "/s/ Name" . . . is used in an electronically filed document to indicate the required signature(s) of persons other than that of the registered user, the registered user shall retain the originally signed document in paper form for no less than three (3) years following the closing of the case. On request of the Court, U.S. Trustee, U.S. Attorney, or other party, the registered user shall produce the originally signed document(s) for review. The failure to do so may result in the imposition of sanctions on the Court's own motion, or upon motion of the case trustee, U.S. Trustee, U.S. Attorney, or other party."

At the hearing on the order to show cause both Ms. Richards and Mr. Dynowski admitted he never signed the petition in Case No. 15-21755. Ms. Richards does not have a copy of the petition with Mr. Dynowski's wet ink signature.

14-31822 Dynowski	7	no	filed 12/4/15 dismissed 12/15/14 before meeting	Dkt #35. Case filed 6 minutes before home foreclosure	NA
13-31031 Rodriguez	7	no	filed 8/22/13 dismissed 9/3/13 before meeting		NA
13-30462 Manzo	7	no	filed 8/8/13 dismissed 8/19/13 before meeting		NA
13-15329 Gutierrez	11	no + incomplete employment application	filed 8/5/13 dismissed 10/3/13 on UST motion before meeting	Dkt #24. Creditor attempting to foreclose on rental properties.	NA
11-90725 Pinheiro	7	yes - \$1000	filed 2/28/11 discharge 6/6/11	Dkt #19. Foreclosing creditor attempting to enforce writ of possession	Counsel and debtor appeared
11-24004 Ascencion	13	no	filed 2/27/11 dismissed 3/8/11 before meeting	See next case.	NA
11-21249 Ascencion	7	yes - \$1200	filed 1/18/11 dismissed 2/8/11 before meeting	Dkt #1. Schedules list under-secured home mortgage. No foreclosure or eviction noted on docket.	NA

1 A review of the dockets of these cases shows the following:

- 2 • Over a 5-year period, Ms. Richards filed twelve
3 bankruptcy cases in the Eastern District of
4 California. Two more cases, Case Nos. 16-10088
5 and 16-20084, were filed in the Central District
6 of California on November 18 and 19, 2015 and then
7 transferred to the Eastern District at the
8 debtors' requests. All fourteen cases were filed
9 for individual consumer debtors. Nine of these
10 cases were filed under chapter 7, four under
11 chapter 13, and one under chapter 11.
- 12
- 13 • In only 2 of the 14 cases, both chapter 7 cases,
14 did the debtor receive a discharge. One case was
15 voluntarily dismissed. Eleven cases were
16 dismissed because the debtors failed to file
17 required statements, schedules, or a proposed
18 plan, or failed to appear at the meeting of
19 creditors.
- 20
- 21 • In none of the reorganization cases, whether under
22 chapter 11 or 13, did the debtor confirm, much
23 less complete, a plan.
- 24
- 25 • In 9 of the 14 cases, Ms. Richards failed to file
26 the fee disclosure required by 11 U.S.C. § 329(a)
27 and Fed. R. Bankr. P. 2016(b).
- 28

- In the five cases where disclosures were filed, Ms. Richards received fees of \$2,500, \$750, \$1,000, \$1,000 and \$1,200 before the cases were filed. Two of these five cases were dismissed before the meeting of creditors, one was dismissed because Ms. Richards and her client failed to appear at the meeting of creditors, and in two cases the debtors received chapter 7 discharges.
- 11 of the 12 cases filed in the Eastern District (this excludes the two cases filed in the Central District and then transferred to the Eastern District) were filed by Ms. Richards even though she was not a member of the bar of the Eastern District of California. She became a member on January 14, 2016, after this court noted in a ruling on a motion in Case No. 15-28574 that Ms. Richards was not a member of its bar.
- 9 of the 14 cases were dismissed before the first meeting of creditors could be conducted. Of the 5 cases not dismissed prior to the meeting, Ms. Richards failed to appear at the meeting in 3 cases.
- 10 of the 14 cases were filed to delay a home foreclosure or a post-foreclosure unlawful

1 detainer action.² This is evident from motions or
2 objections filed by the foreclosing creditor as
3 well as admissions in documents filed by the
4 debtors. The dockets of the other four cases give
5 no clue as to whether those debtors were
6 attempting to delay foreclosures or unlawful
7 detainer actions. Each of these four cases (Case
8 Nos. 13-31031, 13-30462, 11-24004, and 11-21249)
9 was dismissed soon after filing because the debtor
10 failed to file required lists, statements, or
11 schedules. Possibly because these cases were
12 dismissed soon after filing, nothing was filed,
13 either by the debtor, a creditor, or the trustee,
14 indicating that the debtor's home had been
15 foreclosed or was in foreclosure.

16
17 • Ms. Richards filed more than one bankruptcy case
18 for four different debtors: she filed two cases
19 for debtor Starr, two for debtor Tracy, three for
20 debtor Dynowski, and two for debtor Ascencion.³

21
22 Not on the chart are three cases filed by Ms. Richards on
23 behalf of Debtors Hyatt, Rodriquez, and Gutierrez in other
24 districts.

25
26 ² But see footnote 3 below.

27 ³ As discussed below, if cases filed in other districts
28 are included, Ms. Richards has filed multiple cases for seven
different debtors.

1 Ms. Richards filed Case No. 13-14248, a chapter 7 petition,
2 for Debtor Gutierrez in the Central District of California on
3 June 25, 2013. The case was dismissed on July 26, 2013 because
4 the debtor failed to file all mandatory lists, schedules and
5 statements. This dismissal was followed by the filing of a
6 second case, this time under chapter 11, in the Eastern District
7 on August 5, 2013. The chapter 11 case was dismissed on October
8 3, 2013 on the motion of the United States Trustee. The debtor
9 failed to schedule all real property assets, file monthly
10 operating reports, provide proof of insurance, and provide copies
11 of financial records to the United States Trustee.

12 Ms. Richards filed Case No. 15-13055 on behalf of Debtor
13 Hyatt in the Central District of California on September 14,
14 2015. That case was dismissed just nine days later when the
15 debtor failed to file a statement of social security number and a
16 master address list. A second case, Case No. 16-10139, was filed
17 for Debtor Hyatt in the Eastern District on January 21, 2016. It
18 was dismissed on February 19 when the debtor failed to propose a
19 chapter 13 plan.

20 Debtor Rodriguez filed a chapter 13 petition, Case No. 13-
21 45399, on September 25, 2013 in the Northern District of
22 California with the assistance of Ms. Richards. The case was
23 dismissed due to the debtor's failure to file all lists,
24 schedules, and statements. The Northern District case was filed
25 less than three weeks after Case No. 13-31031 filed in the
26 Eastern District was dismissed because the debtor had failed to
27
28

1 file all lists, schedules, and statements.⁴

3 IV

4 Ms. Richards explanation of, and justifications for, her
5 conduct in this case, particularly when evaluated in light of the
6 other cases she filed in this district, do not hold water.

8 A. Admission to the Bar of the Eastern District

9 Ms. Richards maintains that she did not know she was
10 required to be admitted to the bar of this court before
11 practicing in it. Further, she maintains that no one told her
12 she was required to be a member of the court's bar.

13 It is difficult to believe that any attorney is unaware of
14 the necessity of being admitted to the bar of a court in which
15 they intend to practice. Nor does the court believe that this
16 requirement was never brought to Ms. Richards' attention.

17 Ms. Richards filed documents in this case electronically.
18 In order to be authorized to file electronically, she had to

20 ⁴ Interestingly, document #14 on the docket of the
21 Northern District case, a motion to vacate the dismissal, admits
22 that the case was filed to halt a foreclosure of the debtor's
23 home on September 26, 2013, the day after the case was filed.
24 The chart above indicates that there is nothing on the docket of
25 Eastern District Case No. 13-31031 indicating that the debtor was
attempting to halt a foreclosure or eviction. With the admission
made in the Northern District case, this means that 11 of the 14
cases in the Eastern District were filed to stop foreclosures or
evictions.

26 It also is interesting that the motion to vacate the
27 dismissal of the Northern District case indicates that documents
28 were not filed timely because a paralegal in Ms. Richards' office
had failed to calendar the filing deadline. This is reminiscent
of the excuse offered in the case now before the court for the
failure to appear at the meeting of creditors.

1 register with the clerk of this court. The registration process
2 is done over the Internet. Ms. Richards' registration form was
3 received by the clerk on December 15, 2010. A copy of it is
4 appended to Docket 97, the court's earlier August 11 Memorandum.

5 Section 1 of Ms. Richards' registration form advises that an
6 attorney must be a member of the bar of this court in order to
7 file documents electronically. And, in section 2, "Eligibility",
8 Ms. Richards represented to the clerk that she was "an attorney
9 admitted to the bar of the U.S. District Court for the Eastern
10 District of California and currently [is] in good standing."

11 The registration form makes clear that in order to file
12 documents electronically, an attorney must be a member of this
13 court's bar, or admitted to it *pro hac vice*, or be exempt from
14 admission. Hence, even if it somehow escaped Ms. Richards'
15 notice over 35 years of practicing law that admission to the bar
16 of a federal court was necessary before filing a case in it, the
17 registration process clearly informed her of the requirement.

18 Ms. Richards misrepresented in 2010 that she was a member of
19 this court's bar. This was untrue when this case was filed, and
20 it was untrue when she filed twelve other cases over a five year
21 period. Ms. Richards was not admitted to this court's bar until
22 January 14, 2016.

23
24 B. Failure to Appear at the Meeting of Creditors

25 Ms. Richards does not deny that she failed to appear at the
26 meeting of creditors. She claims she was medically unable to
27 appear. But, if Ms. Richards' evidence is to be believed, this
28 is not the reason for her nonappearance. She did not appear

1 because her law clerk failed to calendar the meeting.

2 The court believes none of this. Neither Ms. Richards nor
3 anyone in her stead ever intended to appear at the meeting
4 because the debtor never intended to prosecute this case, his
5 third in the space of eleven months. This case was intended only
6 to delay and harass a lender who had foreclosed on the debtor's
7 home.⁵ The debtor's first case was filed to stop the lender's
8 nonjudicial foreclosure and his third case was filed to halt an
9 adverse result in its unlawful detainer action.

10 This is corroborated by the other cases filed by Ms.
11 Richards in this court.

12 - Most were not prosecuted and most were filed on behalf of
13 debtors hoping to derail foreclosures and/or evictions.

14 - Ten of fourteen cases were dismissed prior to the meeting
15 of creditors because schedules, statements, lists and/or a
16 plan were not filed.

17 - Two more of the fourteen cases were dismissed after the
18 meeting because the debtor and counsel failed to appear at
19 it.

20 - Ms. Richards or another attorney in her place appeared at
21 the meeting of creditors in only two cases out of fourteen.

22 - Perhaps most telling is that the fact that no
23 reorganization case filed by Ms. Richards in this court over
24 the last five years has resulted in the confirmation of a
25

26 ⁵ The court previously authored a lengthy written ruling
27 detailing the debtor's bad faith filing of cases in this court to
28 hinder and delay Pennymac Holdings' nonjudicial foreclosure of
his home and his later eviction. See Case No. 14-31822, Docket
#57.

1 plan.

2 Of course, there is nothing wrong with filing a bankruptcy
3 case that halts a foreclosure or an eviction. This rises to
4 contumacious conduct when the case is used to hinder, delay, or
5 defraud creditors and without any genuine intent and effort to
6 obtain a discharge and/or reorganize debt.

7 That is exactly what the debtor was doing in his first and
8 third cases filed with Ms. Richards' help. These cases were
9 filed on the eve of a foreclosure or an eviction and then the
10 debtor failed to properly prosecute the cases by filing required
11 documents and appearing at the meeting of creditors. The debtor
12 was hoping to delay his home lender as long as possible by
13 acquiring the automatic stay of 11 U.S.C. § 362(a) without
14 prosecuting the bankruptcy case.

15 And, as the chart above corroborates, Ms. Richards is all
16 too familiar with this tactic.

17
18 C. Failure to Disclose Fees

19 Ms. Richards did not file the fee disclosure required by
20 section 329(a) and Rule 2016(b) because she was paid nothing by
21 the debtor for work in connection with this case. Assuming this
22 is true, Ms. Richards nonetheless was required to file a
23 disclosure indicating nothing was paid to her.

24 Section 329(a) and Rule 2016(b) require every debtor's
25 attorney to file a statement of the compensation paid and to be
26 paid for services rendered in connection with the bankruptcy
27 case. This disclosure must be made with reference to
28 compensation paid or agreed to be paid within the year prior to

1 the filing of the bankruptcy case or after it is filed.
2 Disclosure is mandatory and it must continue throughout the case.
3 See Turner v. Davis, etc. (In re Investment Bankers, Inc.), 4
4 F.3d 1556 (10th Cir. 1993).

5 This disclosure permits the court to scrutinize compensation
6 paid to a debtor's attorney even in the absence of an objection
7 to it. The court is charged with insuring that compensation is
8 reasonable. See 11 U.S.C. § 329(b).

9 If an attorney enters into an agreement to file a bankruptcy
10 case for no compensation, such must be disclosed. The absence of
11 a disclosure would only create an ambiguity - did counsel get
12 paid but fail to make the disclosure, or was counsel representing
13 the debtor without charge? There would be no way to determine
14 what the attorney and the debtor had agreed to without issuing an
15 order and requiring the parties to appear and explain themselves.

16 Ms. Richards is in business. She practices law as a
17 business. She does not operate a pro bono legal clinic.

18 The court does not believe Ms. Richards was paid nothing for
19 her services in this case. Ms. Richards represented the debtor
20 in a state court unlawful detainer action. Before that action
21 was filed, she represented him outside of the bankruptcy court in
22 connection with a nonjudicial foreclosure. She was paid a fee
23 for these services. In fact, the debtor and his partner gave Ms.
24 Richards a debit card linked to one of their accounts so she
25 could draw money for her fees.

26 In the effort to stop the foreclosure and the subsequent
27 eviction, Ms. Richards filed three bankruptcy cases for the
28 debtor, including the one now before the court. Given the

1 failure to propose a plan, the failure to file schedules and
2 statements, and the failure of an attorney to appear the meeting
3 of creditors, it is a reasonable surmise that this case was filed
4 just to acquire the automatic stay in order to prolong and delay
5 the unlawful detainer action. Ms. Richards and her client never
6 intended to prosecute this case to its conclusion.

7 This conclusion is buttressed by the chart above which shows
8 Ms. Richards' repeated misuse of the automatic stay over the last
9 five years. Whatever this debtor (and the other debtors) paid
10 Ms. Richards, and however it was nominally accounted for by her,
11 it was paid in contemplation of a bankruptcy petition filed to
12 derail or delay a foreclosure and eviction. When paying Ms.
13 Richards for her services, it was within the fair contemplation
14 of the parties that a bankruptcy case could be filed. See e.g.,
15 In re Gage, 394 B.R. 184, 194 (Bankr. N.D. Ill. 2008).

16 Therefore, full disclosure of that compensation should have been
17 made to this court by Ms. Richards.

18 Finally, the fact that Ms. Richards ostensibly charged
19 nothing for this bankruptcy case (and eight other cases filed
20 over the last five years in this district) is corroboration for
21 the lack of good faith in filing it. She had no intention of
22 filing schedules, statements, or a plan, appearing at the
23 meeting, or otherwise prosecuting the case. It was filed purely
24 to harass the foreclosing creditor and to delay an eviction.

25
26 v

27 The \$1,000 sanction assessed against Ms. Richards in the
28 court's August 11 Order was for the conduct described in Part VI

1 of this Memorandum. That order also directed Ms. Richards to
2 show cause why she should not be sanctioned further for filing
3 this case for the apparent improper purpose of harassing,
4 delaying, and causing unnecessary expense to the debtor's
5 foreclosing home lender. The Memorandum accompanying the August
6 11 order included all of the information summarized above
7 concerning the other cases filed by Ms. Richards in this district
8 over the last five years.

9 After considering her response to the August 11 order, and
10 based on the findings summarized above, the court concludes that
11 clear and convincing evidence establishes Ms. Richards' bad faith
12 and willful misconduct as follows:

13 1. Ms. Richards filed this case, and eleven others, without
14 being a member of the bar of this court. In addition, she
15 appeared in two cases filed in other districts and then
16 transferred them to this district. When this case was filed, Ms.
17 Richards knew she was not a member of this court's bar and had
18 misrepresented that she was a member of it.

19 2. Ms. Richards failed to file a fee disclosure as required
20 by section 329(a) and Rule 2016(b).

21 3. This case (and others) was filed without any intention
22 of prosecuting it to conclusion. It was filed solely to acquire
23 the automatic stay in order to hinder and delay a foreclosure and
24 an eviction. The court does not believe the assertion by Ms.
25 Richards or the debtor that this case was filed with the genuine
26 purpose of reorganizing the debtor's home loan or other finances.

27 Therefore, sanctions are appropriate. See Chambers v.
28 NASCO, Inc., 501 U.S. 32, 42-47 (1991); Caldwell v. Unified

1 Capital Corp. (In re Rainbow Magazine, Inc.), 77 F.3d 278, 284
2 (9th Cir. 1996); Knupfer v. Lindblade (In re Dyer), 322 F.3d
3 1178, 1196-1197 (9th Cir. 2003).

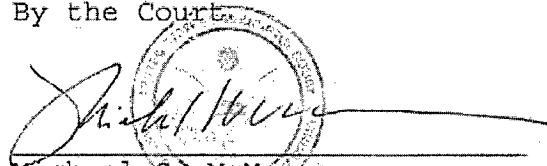
4 The court has already assessed \$1,000 in sanctions against
5 Ms. Richards pursuant to its Order to Show Cause of January 28,
6 2016. See Dockets 34 and 96. Ms. Richards paid the sanctions on
7 September 1, 2016 and also filed a belated disclosure of
8 compensation on September 15, 2016. The final issue is whether
9 an additional sanction is appropriate given conclusion 3
10 immediately above.

11 Rather than assess further monetary sanctions, the court
12 will bar Ms. Richards, effective from April 15, 2017, filing new
13 bankruptcy cases or proceedings in the Eastern District of
14 California until she has completed at least four hours of
15 continuing legal education in legal ethics that the State Bar of
16 California approves as meeting standards for Minimum Continuing
17 Legal Education, that is taught by a provider approved by the
18 State Bar, and that is not self-study but a participatory
19 activity for which the provider verifies attendance. Proof of
20 attendance shall be provided to the clerk of this court when the
21 four hours of education has been completed.

22 A final order shall issue.

23 Dated: February 28, 2017

By the Court

24 
25 Michael S. McManus
26 United States Bankruptcy Judge
27
28

**Instructions to Clerk of Court
Service List – Not Part of Order/Judgment**

The Clerk of Court is instructed to send the Order/Judgment or other court generated document transmitted herewith to the parties below. The Clerk of Court will send the Order via the BNC.

John A Dynowski
7445 Morningside Way
Citrus Heights CA 95621

Jan P. Johnson
PO Box 1708
Sacramento CA 95812

Office of the U.S. Trustee
Robert T Matsui United States
Courthouse
501 I Street, Room 7-500
Sacramento CA 95814

PennyMac Corp
c/o Aldridge Pite, LLP
4375 Jutland Drive #200
PO Box 17933
San Diego CA 92177-0933

Leslie Richards
17337 Ventura Blvd Suite 211
Encino CA 91316

Mark A. Wolff
8861 Williamson Dr #30
Elk Grove CA 95624-7920

FILED

MAR 1 2017

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIAUNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
SACRAMENTO DIVISION

In re

JOHN DYNOWSKI,

Debtor.

Case No. 15-28574-A-13J

Date: October 31, 2016
Time: 1:30 p.m.

ORDER

For the reasons given in the accompanying Memorandum, it is
ORDERED:

Attorney Leslie Richards, effective from April 15, 2017,
shall not file new bankruptcy cases or proceedings in the Eastern
District of California until she has completed at least four
hours of continuing legal education in legal ethics that the
State Bar of California approves as meeting standards for Minimum
Continuing Legal Education, that is taught by a provider approved
by the State Bar, and that is not self-study but a participatory
activity for which the provider verifies attendance. Proof of
attendance shall be provided to the clerk of this court when the
four hours of education has been completed.

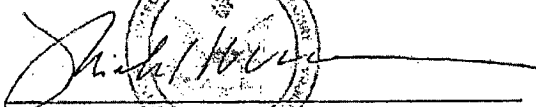
///

1 To satisfy this order, Ms. Richards may complete the
2 continuing legal education in ethics any time after the date of
3 this order.

4 This order does not bar Ms. Richards from appearing in
5 bankruptcy cases and proceedings filed prior to April 15, 2017.

6 Dated: March 01, 2017

By the Court

7
8 
9 Michael S. McManus
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA

In re	Case Nos.
TOURE R. TYLER and ROLANDA C. TYLER, Debtors.	17-13464-B-13
RAFAEL A. REYES and VILLA REYES, Debtors.	17-23817-B-13
TOURE R. TYLER and ROLANDA C. TYLER, Debtors.	17-11558-A-13
JOHN A. DYNOWSKI, Debtor.	15-28574-A-13
DUKE PARTNERS II, LLC, v. Plaintiff,	17-23817-B-13 Adv. 17-2127
RAFAEL REYES and VILLA REYES, Defendants.	

ORDER ASSIGNING TO THE HON. CHRISTOPHER D. JAIME
REVIEW OF LEGAL SERVICES PROVIDED BY
LESLIE RICHARDS, ESQ. FOR CASES FILED IN THE
U.S. BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF CALIFORNIA

1 Leslie Richards, Esq. ("Attorney Richards") is an attorney representing debtors in various
2 cases filed in the Bankruptcy Court for the Eastern District of California. Issues concerning that
3 representation have previously arisen in those cases which have been pending before different judges
4 in this District. To provide for the uniform and consistent addressing of these issues for Attorney
5 Richards and the Court, the judges in this District have agreed for the review of those issues and the
6 action to be taken by the Court, if any, shall be assigned to one judge for review and determination.

7 The undersigned, as Chief Bankruptcy Judge in this District, assigns to Bankruptcy Judge
8 Christopher D. Jaime all issues relating to the conduct of Attorney Richards serving as an attorney
9 for parties in this District, the corrective action (if any) to be taken, the documentation of compliance
10 by Attorney Richards with orders of the court, and the possible referral of such conduct to the Chief
11 Judge of the United States District Court for consideration with respect to an attorney's admission
12 to practice in the Eastern District of California, in the following cases and proceedings:

- 13 A. *In re Toure and Rolanda Tyler*, Bankr. E.D. Cal. 17-13464
14 1. Filed.....September 10, 2017
15 2. Dismissed.....September 29, 2017
16 B. *Duke Partners II, LLC v. Reyes et. al*, Bankr. E.D. Cal. Adv. 17-02127
17 1. Removed to Federal Court.....July 17, 2017
18 2. Remanded to State Court.....September 6, 2017
19 C. *In re Rafael and Villa Reyes*, Bankr. E.D. Cal. 17-23817
20 1. Filed.....June 6, 2017
21 2. Dismissed.....July 26, 2017
22 D. *In re Toure and Rolanda Tyler*, Bankr. E.D. Cal. 17-11558
23 1. Filed.....April 23, 2017
24 2. Dismissed.....May 12, 2017
25 E. *In re John A. Dynowski*, Bankr. E.D. Cal. 15-28574
26 1. Filed.....November 3, 2015
27 2. Dismissed.....June 20, 2016

28 In the *Dynowski* case, the Hon. Michael S. McManus, bankruptcy judge, entered an Order
barring Attorney Richards from filing new bankruptcy cases or proceedings in the Eastern District
of California Bankruptcy Court, effective April 15, 2017, until she completed further ethics

1 education and documented such completion with the Clerk of the Court. 15-28547; Order,
2 Dekt. 114.

3 In his Memorandum Opinion and Decision in *Dynowski* relating to the above Order, Judge
4 McManus reviews the conduct of Attorney Richards in representing debtors in this court in the cases
5 filed by her. Attached hereto as Addendum "A" is Judge McManus' Memorandum Opinion and
6 Decision addressing such conduct, which includes his determination that:

7
8 **These cases show a remarkably consistent pattern of abuse** – failing to file fee
9 disclosures, failing to file required documents, and failing to attend meetings of
10 creditors. **The court concludes** from the record in the case now before it, as well as
these prior cases, that **Ms. Richards is aiding debtors in an abuse of the
bankruptcy process that is calculated to hinder, delay, and defraud** lenders in
their efforts to foreclose and/or repossess their real property collateral.

11 15-28574; Mem. Op. and Dec., p. 3: 18–25, Dekt. 115 (emphasis added).

12 In his Memorandum Opinion and Decision, Judge McManus surveys the representation
13 provided by Attorney Richards in fourteen (14) cases filed in this District. *Id.* at 4–8. The court has
14 identified three additional cases filed by Attorney Richards. These cases include (continuing the
15 numbering from above):

16 F. *In re Rafael and Villa Reyes*, Bankr. E.D. Cal. 17-22413

- 17 1. Filed.....April 11, 2017
18 2. Dismissed.....May 1, 2017

19 G. *In re Toure and Rolanda Tyler*, Bankr. E.D. Cal. 17-10177

- 20 1. Filed.....January 20, 2017
21 2. Dismissed.....March 6, 2017

22 H. *In re Raff[a]el and Villa Reyes*, Bankr. E.D. Cal. 17-20282

- 23 1. Filed.....January 17, 2017
24 2. Dismissed.....March 1, 2017

25 I. *In re David Leigh Hyatt*, Bankr. E.D. Cal. 16-10139

- 26 1. Filed.....January 21, 2016
27 2. Dismissed.....February 19, 2016

28 J. *In re Ronald Leon Starr*, Bankr. E.D. Cal. 15-14857

1. Filed.....December 20, 2015
2. Dismissed.....April 8, 2016

1 K. *In re Ronald Leon Starr*, Bankr. E.D. Cal. 16-10088

- 2 1. Filed.....November 19, 2015
3 2. Dismissed.....March 3, 2016

4 L. *In re Mary Tracy*, Bankr. E.D. Cal. 16-20084

- 5 1. Filed.....November 18, 2015
6 2. Dismissed.....January 3, 2016

7 M. *In re John A. Dynowski*, Bankr. E.D. Cal. 15-28574

- 8 1. Filed.....November 3, 2015
9 2. Dismissed.....June 20, 2016

10 N. *In re Mary Tracy*, Bankr. E.D. Cal. 15-22785

- 11 1. Filed.....April 6, 2015
12 2. Dismissed.....April 24, 2015

13 O. *In re John A. Dynowski*, Bankr. E.D. Cal. 15-21755

- 14 1. Filed.....March 5, 2015
15 2. Chapter 7 Discharge.....July 20, 2015

16 P. *In re John A. Dynowski*, Bankr. E.D. Cal. 14-31822

- 17 1. Filed.....December 4, 2014
18 2. Dismissed.....December 15, 2014

19 Q. *In re Samuel Rodriguez*, Bankr. E.D. Cal. 13-31031

- 20 1. Filed.....August 22, 2013
21 2. Dismissed.....September 3, 2013

22 R. *In re Ronald Manzo*, Bankr. E.D. Cal. 13-30462

- 23 1. Filed.....August 8, 2013
24 2. Dismissed.....August 19, 2013

25 S. *In re Cecilio and Norma Gutierrez*, Bankr. E.D. Cal. 13-15329

- 26 1. Filed.....August 5, 2013
27 2. Dismissed.....October 3, 2013

28 T. *In re Kelly Pinheiro*, Bankr. E.D. Cal. 11-90725

1. Filed.....February 28, 2011
2. Chapter 7 Discharge.....June 6, 2011

U. *In re Relucio Ascencion*, Bankr. E.D. Cal. 11-24004

1. Filed.....February 17, 2011
2. Dismissed.....March 8, 2011

V. *In re Relucio and Roxanne Ascencion*, Bankr. E.D. Cal. 11-21249

1. Filed.....January 18, 2011
2. Dismissed.....February 8, 2011

The above listed additional cases and those in which the court has assigned to Judge Jaime the issues relating to Attorney Richards' conduct, represent the entire universe of cases in which Attorney Richards has appeared in the Bankruptcy Court in this District. Judge McManus's Memorandum Opinion and Decision includes a discussion of cases filed for some of the above debtors by Attorney Richards in other districts.

After discussing the prior and possible monetary sanctions, Judge McManus concludes in the Memorandum Opinion and Decision:

Rather than assess further monetary sanctions, the court will **bar Ms. Richards**, effective **from April 15, 2017**, filing new bankruptcy cases or proceedings in the Eastern District of California **until she has completed at least four hours of continuing legal education in legal ethics** that the State Bar of California approves as meeting standards for Minimum Continuing Legal Education, that is taught by a provider approved by the State Bar, and that is not self-study but a participatory activity for which the provider verifies attendance. **Proof of attendance shall be provided to the clerk of this court** when the four hours of education has been completed.

Id. at 17:11-21 (emphasis added).

There is no record of Attorney Richards having completed the required ethics continuing education or having provided the Clerk of the Court with proof of any such continuing education having been completed.

Therefore, the judges in this District have determined that further review and enforcement of the prior order requiring the continuing education and barring Attorney Richard filing cases or proceedings in this court is warranted.

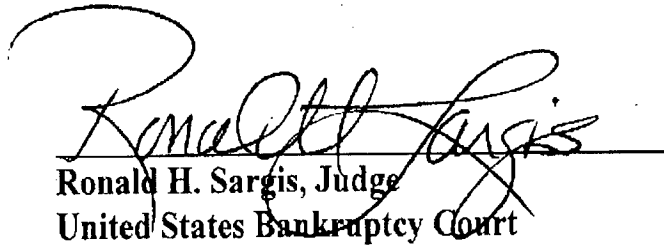
For any of the above cases or proceedings which have been closed by the Clerk of the Court, an order reopening such cases for purposes of the Hon. Christopher D. Jaime conducting the review, determining action to be taken (if any), and the enforcement of such action will be issued.

Any hearings in the assigned matter shall be set by the Hon. Christopher D. Jaime in the Sacramento Division Courthouse, without regard to the Division in which the above cases have been filed.

1 The Clerk of the Court shall serve a copy of this Order on Leslie Richards, Esq. and the
2 Office of the U.S. Trustee. The Clerk shall also deliver informational copies of this Order to the
3 judges in the four bankruptcy cases and the one adversary proceeding for which the above matters
4 concerning Attorney Richards are assigned to the Hon. Christopher D. Jaime.

5 **Dated:** October 05, 2017

6 **By the Court**

7
8 
9 Ronald H. Sargis, Judge
10 United States Bankruptcy Court
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ADDENDUM "A"

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
SACRAMENTO DIVISION

In re) Case No. 15-28574-A-13J
JOHN DYNOWSKI,)
Debtor.) Date: October 31, 2016
Time: 1:30 p.m.

MEMORANDUM

Leslie Richards, the debtor's attorney, filed this case without being a member of the bar of the District Court of the Eastern District of California, and then failed to appear in its proper prosecution. Sanctions are warranted.

I

This matter originally came before the court as a motion by the chapter 13 trustee (Docket Control No. JPJ-1) seeking to compel attorney Leslie Richards to appear at the meeting of creditors. This request was made because Ms. Richards failed to appear on December 22, 2015 at the initial meeting. Although the debtor, John Dynowski, appeared at that meeting, Ms. Richards' absence required the trustee to continue the meeting to January 21, 2016.

In connection with the January 4 hearing on the trustee's motion, the court noted two additional problems: Ms. Richards filed this case even though she was not admitted to the bar of the Eastern District of California, and she had not filed the fee

1 disclosure required by Fed. R. Bankr. P. 2016 and 11 U.S.C. §
2 329.

3 Despite continuing the hearing on the trustee's motion to
4 January 19 to give Ms. Richards an opportunity to address these
5 issues, Ms. Richards failed to appear.

6 While the court dismissed this bankruptcy case on January 19
7 at the request of the debtor, it reserved jurisdiction over the
8 issues of Ms. Richards' compensation and the appropriateness of
9 sanctions for her failure to represent her client and appear in
10 the proper prosecution of this case. See Docket 30.

11 To that end, the court issued an Order to Show Cause on
12 January 28, 2016 (see Docket 34) directing Ms. Richards to appear
13 in person at a hearing on February 29 to determine whether she
14 should be sanctioned for:

15 a. Failing to appear at the meeting of creditors on
16 December 22, 2015;

17 b. Filing this case even though she was not admitted
18 to the bar of the Eastern District of California; and

19 c. Failing to file the fee disclosure required by
20 Fed. R. Bankr. P. 2016 and 11 U.S.C. § 329(a).
21

22 II

23 Ms. Richards responded to the Order to Show Cause by
24 admitting she was not a member of the bar of the Eastern District
25 of California when this case was filed. Her excuse is that she
26 "did not realize [she] had to be admitted to the Eastern District
27 nor was the issue previously brought up. . . ."

28 Ms. Richards also maintained she was unable to appear at the

1 meeting of creditors because of recent knee surgery.
2 Acknowledging she nonetheless had an obligation to represent the
3 debtor at the meeting, Ms. Richards states that she failed to
4 arrange for substitute counsel because her law clerk neglected to
5 calendar the meeting.

6 Finally, Ms. Richards admitted that she did not file a fee
7 disclosure in this case. However, she believes no disclosure was
8 required because she charged no fee for Mr. Dynowski's
9 representation.

10
11 III

12 In the course of considering Ms. Richards' response to the
13 August 11 Order to Show Cause, the court determined from a search
14 of its electronic case files that Ms. Richards was the attorney
15 of record for debtors in fourteen cases in this district
16 commenced over a 5-year period, from January 18, 2011 through
17 January 21, 2016.

18 These cases show a remarkably consistent pattern of abuse -
19 failing to file fee disclosures, failing to file required
20 documents, and failing to attend meetings of creditors. The
21 court concludes from the record in the case now before it, as
22 well as these prior cases, that Ms. Richards is aiding debtors in
23 an abuse of the bankruptcy process that is calculated to hinder,
24 delay, and defraud lenders in their efforts to foreclose and/or
25 repossess their real property collateral.

26 This table summarizes the cases filed by Ms. Richards.
27
28

Case No./ Debtor	Chap.	2016(b) filed/ amount paid	Disposition	Foreclosure/ Eviction?	First meeting attended?
16-10139 Hyatt	13	yes - \$2500	filed 1/21/16 dismissed 2/19/16 before meeting	Dkt. #41. Case filed 1 day before answer due in unlawful detainer	NA
15-14857 Starr	13	yes - \$750	filed 12/20/15 dismissed 4/8/16	Dkt #52. Home in foreclosure	Counsel and debtor failed to appear
16-10088 Starr	7	no	filed 11/19/15 dismissed 3/3/16 before meeting	Dkt #40. Debtor asks for dismissal because he has "discovered a mortgage modification program"	NA
16-20084 Tracy	7	no	filed 11/18/15 dismissed 2/23/16	Dkt #17. Home in foreclosure	Counsel and debtor failed to appear
15-28574 Dynowski	13	no	filed 11/3/15 voluntarily dismissed 6/20/16	Dkt #47. Case filed 1 day before hearing on summary judgment motion in unlawful detainer	Debtor appeared but counsel did not
15-22785 Tracy	7	no	filed 4/6/15 dismissed 4/24/15 before meeting	See Case No 16- 20084	NA
15-21755 ¹ Dynowski	7	yes - \$1000	filed 3/5/15 discharge 7/20/15	See Case Nos. 15- 28574 & 14-31822	Counsel and debtor appeared

¹ A comparison of the three petitions filed by Debtor Dynowski shows his signature on two petitions, Case Nos. 14-31822 and 15-28574, is a "wet ink" signature, but the petition in Case No. 15-21755 is signed "/s/ John A Dynowski". This court's local rules permit either form of signature. See Local Bankruptcy Rule 9004-1(c)(1)(B). However, when the latter form is used, Local Bankruptcy Rule 9004-1(c)(1)(D), provides:

"When "/s/ Name" . . . is used in an electronically filed document to indicate the required signature(s) of persons other than that of the registered user, the registered user shall retain the originally signed document in paper form for no less than three (3) years following the closing of the case. On request of the Court, U.S. Trustee, U.S. Attorney, or other party, the registered user shall produce the originally signed document(s) for review. The failure to do so may result in the imposition of sanctions on the Court's own motion, or upon motion of the case trustee, U.S. Trustee, U.S. Attorney, or other party."

At the hearing on the order to show cause both Ms. Richards and Mr. Dynowski admitted he never signed the petition in Case No. 15-21755. Ms. Richards does not have a copy of the petition with Mr. Dynowski's wet ink signature.

14-31822 Dynowski	7	no	filed 12/4/15 dismissed 12/15/14 before meeting	Dkt #35. Case filed 6 minutes before home foreclosure	NA
13-31031 Rodriguez	7	no	filed 8/22/13 dismissed 9/3/13 before meeting		NA
13-30462 Manzo	7	no	filed 8/8/13 dismissed 8/19/13 before meeting		NA
13-15329 Gutierrez	11	no + incomplete employment application	filed 8/5/13 dismissed 10/3/13 on UST motion before meeting	Dkt #24. Creditor attempting to foreclose on rental properties.	NA
11-90725 Pinheiro	7	yes - \$1000	filed 2/28/11 discharge 6/6/11	Dkt #19. Foreclosing creditor attempting to enforce writ of possession	Counsel and debtor appeared
11-24004 Ascencion	13	no	filed 2/27/11 dismissed 3/8/11 before meeting	See next case.	NA
11-21249 Ascencion	7	yes - \$1200	filed 1/18/11 dismissed 2/8/11 before meeting	Dkt #1. Schedules list under-secured home mortgage. No foreclosure or eviction noted on docket.	NA

1 A review of the dockets of these cases shows the following:

- 2 • Over a 5-year period, Ms. Richards filed twelve
3 bankruptcy cases in the Eastern District of
4 California. Two more cases, Case Nos. 16-10088
5 and 16-20084, were filed in the Central District
6 of California on November 18 and 19, 2015 and then
7 transferred to the Eastern District at the
8 debtors' requests. All fourteen cases were filed
9 for individual consumer debtors. Nine of these
10 cases were filed under chapter 7, four under
11 chapter 13, and one under chapter 11.

- 12
13 • In only 2 of the 14 cases, both chapter 7 cases,
14 did the debtor receive a discharge. One case was
15 voluntarily dismissed. Eleven cases were
16 dismissed because the debtors failed to file
17 required statements, schedules, or a proposed
18 plan, or failed to appear at the meeting of
19 creditors.

- 20
21 • In none of the reorganization cases, whether under
22 chapter 11 or 13, did the debtor confirm, much
23 less complete, a plan.

- 24
25 • In 9 of the 14 cases, Ms. Richards failed to file
26 the fee disclosure required by 11 U.S.C. § 329(a)
27 and Fed. R. Bankr. P. 2016(b).

- 1 • In the five cases where disclosures were filed,
2 Ms. Richards received fees of \$2,500, \$750,
3 \$1,000, \$1,000 and \$1,200 before the cases were
4 filed. Two of these five cases were dismissed
5 before the meeting of creditors, one was dismissed
6 because Ms. Richards and her client failed to
7 appear at the meeting of creditors, and in two
8 cases the debtors received chapter 7 discharges.
9
10 • 11 of the 12 cases filed in the Eastern District
11 (this excludes the two cases filed in the Central
12 District and then transferred to the Eastern
13 District) were filed by Ms. Richards even though
14 she was not a member of the bar of the Eastern
15 District of California. She became a member on
16 January 14, 2016, after this court noted in a
17 ruling on a motion in Case No. 15-28574 that Ms.
18 Richards was not a member of its bar.
19
20 • 9 of the 14 cases were dismissed before the first
21 meeting of creditors could be conducted. Of the 5
22 cases not dismissed prior to the meeting, Ms.
23 Richards failed to appear at the meeting in 3
24 cases.
25
26 • 10 of the 14 cases were filed to delay a home
27 foreclosure or a post-foreclosure unlawful
28

1 detainer action.² This is evident from motions or
2 objections filed by the foreclosing creditor as
3 well as admissions in documents filed by the
4 debtors. The dockets of the other four cases give
5 no clue as to whether those debtors were
6 attempting to delay foreclosures or unlawful
7 detainer actions. Each of these four cases (Case
8 Nos. 13-31031, 13-30462, 11-24004, and 11-21249)
9 was dismissed soon after filing because the debtor
10 failed to file required lists, statements, or
11 schedules. Possibly because these cases were
12 dismissed soon after filing, nothing was filed,
13 either by the debtor, a creditor, or the trustee,
14 indicating that the debtor's home had been
15 foreclosed or was in foreclosure.

16
17 • Ms. Richards filed more than one bankruptcy case
18 for four different debtors: she filed two cases
19 for debtor Starr, two for debtor Tracy, three for
20 debtor Dynowski, and two for debtor Ascencion.³

21
22 Not on the chart are three cases filed by Ms. Richards on
23 behalf of Debtors Hyatt, Rodriquez, and Gutierrez in other
24 districts.

25
26 ² But see footnote 3 below.

27 ³ As discussed below, if cases filed in other districts
28 are included, Ms. Richards has filed multiple cases for seven
 different debtors.

1 Ms. Richards filed Case No. 13-14248, a chapter 7 petition,
2 for Debtor Gutierrez in the Central District of California on
3 June 25, 2013. The case was dismissed on July 26, 2013 because
4 the debtor failed to file all mandatory lists, schedules and
5 statements. This dismissal was followed by the filing of a
6 second case, this time under chapter 11, in the Eastern District
7 on August 5, 2013. The chapter 11 case was dismissed on October
8 3, 2013 on the motion of the United States Trustee. The debtor
9 failed to schedule all real property assets, file monthly
10 operating reports, provide proof of insurance, and provide copies
11 of financial records to the United States Trustee.

12 Ms. Richards filed Case No. 15-13055 on behalf of Debtor
13 Hyatt in the Central District of California on September 14,
14 2015. That case was dismissed just nine days later when the
15 debtor failed to file a statement of social security number and a
16 master address list. A second case, Case No. 16-10139, was filed
17 for Debtor Hyatt in the Eastern District on January 21, 2016. It
18 was dismissed on February 19 when the debtor failed to propose a
19 chapter 13 plan.

20 Debtor Rodriguez filed a chapter 13 petition, Case No. 13-
21 45399, on September 25, 2013 in the Northern District of
22 California with the assistance of Ms. Richards. The case was
23 dismissed due to the debtor's failure to file all lists,
24 schedules, and statements. The Northern District case was filed
25 less than three weeks after Case No. 13-31031 filed in the
26 Eastern District was dismissed because the debtor had failed to
27
28

1 file all lists, schedules, and statements.⁴

3 IV

4 Ms. Richards explanation of, and justifications for, her
5 conduct in this case, particularly when evaluated in light of the
6 other cases she filed in this district, do not hold water.

8 A. Admission to the Bar of the Eastern District

9 Ms. Richards maintains that she did not know she was
10 required to be admitted to the bar of this court before
11 practicing in it. Further, she maintains that no one told her
12 she was required to be a member of the court's bar.

13 It is difficult to believe that any attorney is unaware of
14 the necessity of being admitted to the bar of a court in which
15 they intend to practice. Nor does the court believe that this
16 requirement was never brought to Ms. Richards' attention.

17 Ms. Richards filed documents in this case electronically.
18 In order to be authorized to file electronically, she had to
19

20 ⁴ Interestingly, document #14 on the docket of the
21 Northern District case, a motion to vacate the dismissal, admits
22 that the case was filed to halt a foreclosure of the debtor's
23 home on September 26, 2013, the day after the case was filed.
24 The chart above indicates that there is nothing on the docket of
25 Eastern District Case No. 13-31031 indicating that the debtor was
26 attempting to halt a foreclosure or eviction. With the admission
27 made in the Northern District case, this means that 11 of the 14
28 cases in the Eastern District were filed to stop foreclosures or
evictions.

It also is interesting that the motion to vacate the
dismissal of the Northern District case indicates that documents
were not filed timely because a paralegal in Ms. Richards' office
had failed to calendar the filing deadline. This is reminiscent
of the excuse offered in the case now before the court for the
failure to appear at the meeting of creditors.

1 register with the clerk of this court. The registration process
2 is done over the Internet. Ms. Richards' registration form was
3 received by the clerk on December 15, 2010. A copy of it is
4 appended to Docket 97, the court's earlier August 11 Memorandum.

5 Section 1 of Ms. Richards' registration form advises that an
6 attorney must be a member of the bar of this court in order to
7 file documents electronically. And, in section 2, "Eligibility",
8 Ms. Richards represented to the clerk that she was "an attorney
9 admitted to the bar of the U.S. District Court for the Eastern
10 District of California and currently [is] in good standing."

11 The registration form makes clear that in order to file
12 documents electronically, an attorney must be a member of this
13 court's bar, or admitted to it *pro hac vice*, or be exempt from
14 admission. Hence, even if it somehow escaped Ms. Richards'
15 notice over 35 years of practicing law that admission to the bar
16 of a federal court was necessary before filing a case in it, the
17 registration process clearly informed her of the requirement.

18 Ms. Richards misrepresented in 2010 that she was a member of
19 this court's bar. This was untrue when this case was filed, and
20 it was untrue when she filed twelve other cases over a five year
21 period. Ms. Richards was not admitted to this court's bar until
22 January 14, 2016.

23
24 B. Failure to Appear at the Meeting of Creditors

25 Ms. Richards does not deny that she failed to appear at the
26 meeting of creditors. She claims she was medically unable to
27 appear. But, if Ms. Richards' evidence is to be believed, this
28 is not the reason for her nonappearance. She did not appear

1 because her law clerk failed to calendar the meeting.

2 The court believes none of this. Neither Ms. Richards nor
3 anyone in her stead ever intended to appear at the meeting
4 because the debtor never intended to prosecute this case, his
5 third in the space of eleven months. This case was intended only
6 to delay and harass a lender who had foreclosed on the debtor's
7 home.⁵ The debtor's first case was filed to stop the lender's
8 nonjudicial foreclosure and his third case was filed to halt an
9 adverse result in its unlawful detainer action.

10 This is corroborated by the other cases filed by Ms.
11 Richards in this court.

12 - Most were not prosecuted and most were filed on behalf of
13 debtors hoping to derail foreclosures and/or evictions.

14 - Ten of fourteen cases were dismissed prior to the meeting
15 of creditors because schedules, statements, lists and/or a
16 plan were not filed.

17 - Two more of the fourteen cases were dismissed after the
18 meeting because the debtor and counsel failed to appear at
19 it.

20 - Ms. Richards or another attorney in her place appeared at
21 the meeting of creditors in only two cases out of fourteen.

22 - Perhaps most telling is that the fact that no
23 reorganization case filed by Ms. Richards in this court over
24 the last five years has resulted in the confirmation of a
25

26 ⁵ The court previously authored a lengthy written ruling
27 detailing the debtor's bad faith filing of cases in this court to
28 hinder and delay Pennymac Holdings' nonjudicial foreclosure of
his home and his later eviction. See Case No. 14-31822, Docket
#57.

1 plan.

2 Of course, there is nothing wrong with filing a bankruptcy
3 case that halts a foreclosure or an eviction. This rises to
4 contumacious conduct when the case is used to hinder, delay, or
5 defraud creditors and without any genuine intent and effort to
6 obtain a discharge and/or reorganize debt.

7 That is exactly what the debtor was doing in his first and
8 third cases filed with Ms. Richards' help. These cases were
9 filed on the eve of a foreclosure or an eviction and then the
10 debtor failed to properly prosecute the cases by filing required
11 documents and appearing at the meeting of creditors. The debtor
12 was hoping to delay his home lender as long as possible by
13 acquiring the automatic stay of 11 U.S.C. § 362(a) without
14 prosecuting the bankruptcy case.

15 And, as the chart above corroborates, Ms. Richards is all
16 too familiar with this tactic.

17
18 C. Failure to Disclose Fees

19 Ms. Richards did not file the fee disclosure required by
20 section 329(a) and Rule 2016(b) because she was paid nothing by
21 the debtor for work in connection with this case. Assuming this
22 is true, Ms. Richards nonetheless was required to file a
23 disclosure indicating nothing was paid to her.

24 Section 329(a) and Rule 2016(b) require every debtor's
25 attorney to file a statement of the compensation paid and to be
26 paid for services rendered in connection with the bankruptcy
27 case. This disclosure must be made with reference to
28 compensation paid or agreed to be paid within the year prior to

1 the filing of the bankruptcy case or after it is filed.
2 Disclosure is mandatory and it must continue throughout the case.
3 See Turner v. Davis, etc. (In re Investment Bankers, Inc.), 4
4 F.3d 1556 (10th Cir. 1993).

5 This disclosure permits the court to scrutinize compensation
6 paid to a debtor's attorney even in the absence of an objection
7 to it. The court is charged with insuring that compensation is
8 reasonable. See 11 U.S.C. § 329(b).

9 If an attorney enters into an agreement to file a bankruptcy
10 case for no compensation, such must be disclosed. The absence of
11 a disclosure would only create an ambiguity - did counsel get
12 paid but fail to make the disclosure, or was counsel representing
13 the debtor without charge? There would be no way to determine
14 what the attorney and the debtor had agreed to without issuing an
15 order and requiring the parties to appear and explain themselves.

16 Ms. Richards is in business. She practices law as a
17 business. She does not operate a pro bono legal clinic.

18 The court does not believe Ms. Richards was paid nothing for
19 her services in this case. Ms. Richards represented the debtor
20 in a state court unlawful detainer action. Before that action
21 was filed, she represented him outside of the bankruptcy court in
22 connection with a nonjudicial foreclosure. She was paid a fee
23 for these services. In fact, the debtor and his partner gave Ms.
24 Richards a debit card linked to one of their accounts so she
25 could draw money for her fees.

26 In the effort to stop the foreclosure and the subsequent
27 eviction, Ms. Richards filed three bankruptcy cases for the
28 debtor, including the one now before the court. Given the

1 failure to propose a plan, the failure to file schedules and
2 statements, and the failure of an attorney to appear the meeting
3 of creditors, it is a reasonable surmise that this case was filed
4 just to acquire the automatic stay in order to prolong and delay
5 the unlawful detainer action.. Ms. Richards and her client never
6 intended to prosecute this case to its conclusion.

7 This conclusion is buttressed by the chart above which shows
8 Ms. Richards' repeated misuse of the automatic stay over the last
9 five years. Whatever this debtor (and the other debtors) paid
10 Ms. Richards, and however it was nominally accounted for by her,
11 it was paid in contemplation of a bankruptcy petition filed to
12 derail or delay a foreclosure and eviction. When paying Ms.
13 Richards for her services, it was within the fair contemplation
14 of the parties that a bankruptcy case could be filed. See e.g.,
15 In re Gage, 394 B.R. 184, 194 (Bankr. N.D. Ill. 2008).
16 Therefore, full disclosure of that compensation should have been
17 made to this court by Ms. Richards.

18 Finally, the fact that Ms. Richards ostensibly charged
19 nothing for this bankruptcy case (and eight other cases filed
20 over the last five years in this district) is corroboration for
21 the lack of good faith in filing it. She had no intention of
22 filing schedules, statements, or a plan, appearing at the
23 meeting, or otherwise prosecuting the case. It was filed purely
24 to harass the foreclosing creditor and to delay an eviction.

25
26 V

27 The \$1,000 sanction assessed against Ms. Richards in the
28 court's August 11 Order was for the conduct described in Part VI

1 of this Memorandum. That order also directed Ms. Richards to
2 show cause why she should not be sanctioned further for filing
3 this case for the apparent improper purpose of harassing,
4 delaying, and causing unnecessary expense to the debtor's
5 foreclosing home lender. The Memorandum accompanying the August
6 11 order included all of the information summarized above
7 concerning the other cases filed by Ms. Richards in this district
8 over the last five years.

9 After considering her response to the August 11 order, and
10 based on the findings summarized above, the court concludes that
11 clear and convincing evidence establishes Ms. Richards' bad faith
12 and willful misconduct as follows:

13 1. Ms. Richards filed this case, and eleven others, without
14 being a member of the bar of this court. In addition, she
15 appeared in two cases filed in other districts and then
16 transferred them to this district. When this case was filed, Ms.
17 Richards knew she was not a member of this court's bar and had
18 misrepresented that she was a member of it.

19 2. Ms. Richards failed to file a fee disclosure as required
20 by section 329(a) and Rule 2016(b).

21 3. This case (and others) was filed without any intention
22 of prosecuting it to conclusion. It was filed solely to acquire
23 the automatic stay in order to hinder and delay a foreclosure and
24 an eviction. The court does not believe the assertion by Ms.
25 Richards or the debtor that this case was filed with the genuine
26 purpose of reorganizing the debtor's home loan or other finances.

27 Therefore, sanctions are appropriate. See Chambers v.
28 NASCO, Inc., 501 U.S. 32, 42-47 (1991); Caldwell v. Unified

1 Capital Corp. (In re Rainbow Magazine, Inc.), 77 F.3d 278, 284
2 (9th Cir. 1996); Knupfer v. Lindblade (In re Dyer), 322 F.3d
3 1178, 1196-1197 (9th Cir. 2003).

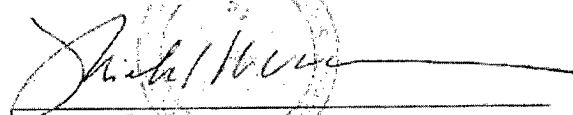
4 The court has already assessed \$1,000 in sanctions against
5 Ms. Richards pursuant to its Order to Show Cause of January 28,
6 2016. See Dockets 34 and 96. Ms. Richards paid the sanctions on
7 September 1, 2016 and also filed a belated disclosure of
8 compensation on September 15, 2016. The final issue is whether
9 an additional sanction is appropriate given conclusion 3
10 immediately above.

11 Rather than assess further monetary sanctions, the court
12 will bar Ms. Richards, effective from April 15, 2017, filing new
13 bankruptcy cases or proceedings in the Eastern District of
14 California until she has completed at least four hours of
15 continuing legal education in legal ethics that the State Bar of
16 California approves as meeting standards for Minimum Continuing
17 Legal Education, that is taught by a provider approved by the
18 State Bar, and that is not self-study but a participatory
19 activity for which the provider verifies attendance. Proof of
20 attendance shall be provided to the clerk of this court when the
21 four hours of education has been completed.

22 A final order shall issue.

23 Dated: February 28, 2017

By the Court

24 
25 _____
26 Michael S. McManus
27 United States Bankruptcy Judge
28

Instructions to Clerk of Court Service List – Not Part of Order/Judgment

The Clerk of Court is instructed to send the Order/Judgment or other court generated document transmitted herewith to the parties below. The Clerk of Court will send the Order via the BNC.

John A Dynowski
7445 Morningside Way
Citrus Heights CA 95621

Jan P. Johnson
PO Box 1708
Sacramento CA 95812

Office of the U.S. Trustee
Robert T Matsui United States
Courthouse
501 I Street, Room 7-500
Sacramento CA 95814

PennyMac Corp
c/o Aldridge Pite, LLP
4375 Jutland Drive #200
PO Box 17933
San Diego CA 92177-0933

Leslie Richards
17337 Ventura Blvd Suite 211
Encino CA 91316

Mark A. Wolff
8861 Williamson Dr #30
Elk Grove CA 95624-7920